



SCOTT FITZPATRICK MISSOURI STATE AUDITOR

Investigative Summary City of Koshkonong

Summary of Significant Complaint(s) Reported

The State Auditor's Office received complaints that city elected officials hired relatives in violation of constitutional provisions.

Background

City elected/appointed officials include the Mayor and a 4 member Board of Aldermen. Key city employees include a City Clerk and maintenance staff. The Mayor previously served on the Board and was elected Mayor in 2023. The former City Clerk¹ began employment in November 2022 and, as of May 2024, is serving as the city liaison. She previously served as an Alderwoman.

Complaint Review

To review the complaints, we requested and reviewed an employee list, familial relationships of employees, meeting minutes, job postings and hiring practices, and policies and procedures.

Related Parties in City Government

While several elected officials and city employees are related, it does not appear that the Board or Mayor acted inappropriately. However, the Board could have better documented its approval of the City Clerk's appointment. Article VII, Section 6, Missouri Constitution, provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his or her office.

The appointed City Clerk is the daughter of the Mayor and granddaughter of an alderman. She is also married to one of the maintenance employees. The City Clerk was hired prior to the Mayor's term so there is no violation of constitutional provisions. However, her mother was on the Board when she was hired. The Board discussed but did not document a vote on her appointment, and there is no other documentation of its approval. Additionally, because no vote was taken there is no indication of any abstention by the Alderman about his granddaughter's hiring. Documentation shows the city did take steps to find an outside city clerk prior to the City Clerk's appointment. The city advertised for the position in 2021 and 2022 and officials noted they hired and lost three other clerks before hiring the City Clerk. Documentation provided also indicates neither the Mayor nor the Alderman were in office when the Mayor's son-in-law, a maintenance employee, was hired in 2018.

Payroll Controls

Our review noted additional, independent supervisory review is needed over employee payroll. A review of payroll documentation indicates the City Clerk was approving her own timesheet as well as her husband's. Additionally, the Mayor was one of the signors on her daughter's (City Clerk) and son-in-law's (maintenance worker) paychecks. While another Board member also signs the checks, controls would be improved if timesheets and payroll checks were reviewed, approved, and signed by an unrelated party. After discussing this with Board members, the city has assigned the review and approval of the

¹ The former City Clerk and current City Liaison is referred to as the City Clerk in the remainder of the summary.

City Clerk's and her husband's time to two different, unrelated aldermen. Additionally, city officials indicated they planned to purchase a time clock to provide additional controls over employee time.

Conclusion

In our review of complaints, we found no indication of fraud or corruption. Our review noted related employees were hired prior to the Mayor's term. However, the City Clerk's grandfather sat on the Board that hired her. The Board did not take a vote to document its approval of the hiring and there is nothing to indicate whether or not her grandfather abstained from the vote to ensure the appointment process met constitutional guidelines. Additionally, our review noted the city did not have controls in place to ensure city officials were not approving their own or a relatives time and payroll checks. City officials indicated they have since addressed this issue. We will prepare a closing letter indicating the investigation notes no indication of fraud or corruption, but the Board should ensure employee hiring and appointments are approved by the Board and the approval is documented, city officials do not approve the hiring or appointment of relatives within the fourth degree, and controls over employee time records and payroll are in place.